

4/22/15

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Chapter No. 477
15/HR40/R1450SG
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HOUSE BILL NO. 412

Originated in House



Clerk

HOUSE BILL NO. 412

AN ACT TO AUTHORIZE THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO SELL AND CONVEY ALL OR ANY PORTION OF CERTAIN STATE-OWNED REAL PROPERTY, AND ANY IMPROVEMENTS THEREON, LOCATED IN THE CITY OF JACKSON, HINDS COUNTY, MISSISSIPPI, KNOWN AS THE "OLD CAPITOL GREEN" UPON WHICH HAL AND MAL'S IS LOCATED; TO AMEND SECTION 29-1-201, MISSISSIPPI CODE OF 1972, TO PROVIDE THE PURPOSES FOR WHICH LEASE AND RENTAL MONIES DEPOSITED IN THE STATE LAND ACQUISITION FUND MAY BE USED; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. (1) The Department of Finance and Administration is authorized to sell and convey all or any portion of certain state-owned real property, and any improvements thereon, located in the City of Jackson, Hinds County, Mississippi, upon which Hal and Mal's is located and being more particularly described as follows:

A tract or parcel of land containing 3.457 acres
(150,581 Sq. Ft.), more or less, located in Lots 1, 2,
and 3, Block B per the H.C. Daniel Map of the City of
Jackson, Mississippi, dated 1875 and being the same as
the property as that shown on the A. Virden Subdivision

of Lots 1, 2, 4 and 5 of Square B, East Jackson as recorded in Book A at Page 245 of the records of the Chancery Clerk of Hinds County, Mississippi, all being located in the Southeast Quarter (SE 1/4) of Section 3, Township 5 North, Range 1 West, City of Jackson, Hinds County, Mississippi and being more particularly described as follows, to wit:

COMMENCING at an iron rod marking the intersection of the Northern right-of-way line of Tombigbee Street and the Eastern right-of-way line of Commerce Street as both are now laid out and in use, said point also being the Southwestern corner of Lot 18 of the aforesaid A. Virden Subdivision of Lots 1, 2, 4 and 5 of Square B, East Jackson; thence, following the aforesaid Eastern right-of-way line of Commerce Street, run North 04 degrees 33 minutes 14 seconds West for a distance of 110.99 feet to an iron rod on the aforesaid Eastern right-of-way line of Commerce Street; thence, continuing along the aforesaid Eastern right-of-way line of Commerce Street, run North 11 degrees 38 minutes 00 seconds West for a distance of 297.46 feet to a point on the aforesaid Eastern right-of-way line of Commerce Street; thence, continuing along the aforesaid Eastern right-of-way line of Commerce Street, run North 01 degrees 37 minutes 16 seconds West for a distance of

13.63 feet to a chiseled "X" in the concrete marking the intersection of the aforesaid Eastern right-of-way line of Commerce Street and the Northern right-of-way of Pascagoula Street as both are now laid out and in use and the **POINT OF BEGINNING** of the tract or parcel of land herein described; thence, continuing along the aforesaid Eastern right-of-way line of Commerce Street, run North 01 degrees 37 minutes 16 seconds West for a distance of 312.49 feet to a P.K. nail at the intersection of the Eastern right-of-way line of Commerce Street and the Southern right-of-way line of Pearl Street as both are now laid out and in use and the Northwestern corner of Lot 1 of the aforesaid A. Virden Subdivision of Lots 1, 2, 4 and 5 of Square B, East Jackson; thence, following the aforesaid Southern right-of-way line of Pearl Street, run South 80 degrees 31 minutes 15 seconds East for a distance of 520.10 feet to an iron rod at the intersection of the aforesaid Southern right-of-way line of Pearl Street and the Western right-of-way line of Jefferson Street as both are now laid out and in use and the Northeastern Corner of Lot 12 of the aforesaid A. Virden Subdivision of Lots 1, 2, 4 and 5 of Square B, East Jackson; thence, following the aforesaid Western right-of-way line of Jefferson Street, run South 09 degrees 14 minutes 14

seconds West for a distance of 307.16 feet to an iron rod at the intersection of the aforesaid Western right-of-way line of Jefferson Street and the aforesaid Northern right-of-way of Pascagoula Street; thence, following the aforesaid Northern right-of-way of Pascagoula Street, run North 80 degrees 27 minutes 27 seconds West for a distance of 461.24 feet back to the **POINT OF BEGINNING.**

(2) In the event that any or all of the real property and improvements described in subsection (1) of this section is sold, the real property shall be sold for not less than the current fair market value as determined by the average of two (2) appraisals by qualified appraisers, one (1) of whom shall be selected by the Department of Finance and Administration, and both of whom shall be certified and licensed by the Mississippi Real Estate Appraiser Licensing and Certification Board.

(3) An existing tenant with a leasehold interest in the property described in subsection (1) of this section or its successor interest shall have the first right and option to purchase the property under the tenant's lease for fair market value as calculated under subsection (2).

(* * *4) Any proceeds from the sale of the land, and any improvements thereon, listed in subsection (1) of this section, shall be deposited into the state land acquisition fund.

(* * *5) Before the sale and conveyance or lease of any or all of the real property described in subsection (1) of this section, and any improvements thereon, the Department of Finance and Administration may consult with the Chairmen of the House and Senate Public Property Committees.

(* * *6) The Department of Finance and Administration may correct any discrepancies in the legal description of the property provided in this section.

(* * *7) The State shall retain all mineral rights in the property.

(* * *8) The Department of Finance and Administration, upon entering into an agreement for the sale or lease of any portion or all of the property described in subsection (1) of this section, is authorized and directed to cancel any lease with any existing tenant having a leasehold interest in the property for which the agreement has been entered, if determined by the department that such cancellation would be in the best interest of the state. However, if the department determines it is in the best interest of the state to enter into a lease-purchase agreement with an existing tenant, the provisions of this subsection shall not be applicable.

(* * *9) The provisions of this section shall stand repealed from and after July 1, 2018. However, any agreement for the sale or lease entered into by the Department of Finance and Administration under this section before June 30, 2018, shall

remain in effect in perpetuity if sold, or until the expiration of the lease agreement.

SECTION 2. Section 29-1-201, Mississippi Code of 1972, is amended as follows:

29-1-201. (1) The Governor's Office of General Services is hereby authorized and empowered, in its discretion, to lease for a period of not more than fifteen (15) years all or any part of those lands originally leased for ninety-nine (99) years as authorized by an act of the Legislature on March 2, 1875, the same appearing as Chapter LXII, Laws of 1875; said lands lying and being situated in the City of Jackson, First Judicial District, State of Mississippi; or to lease such lands to a public service corporation serving the general public of the State of Mississippi in the City of Jackson, the lease not to exceed a period of twenty-five (25) years; or to rent on a monthly basis the said lands; said rental or lease to be subject to the following terms and conditions applicable thereto:

(a) That the Governor's Office of General Services find and determine that the said lands, or parts thereof, are neither now needed nor are they programmed by the State of Mississippi for governmental purposes within the period of the proposed term of said lease or rental.

(b) That any lease period shall be computed from the expiration of the present lease, if any, on said lands.

(c) That the annual amount paid for leased lands be in an amount of not less than seven and one-half percent (7-1/2%) of the current fair market value as determined by the averaging of at least two (2) appraisals by members of the American Institute of Real Estate Appraisers or the Society of Real Estate Appraisers. The said appraisals shall be made not later than six (6) months prior to the expiration of any existing lease, and the said appraisals shall be made available to all interested parties. Thereafter, appraisals on said property may be made every five (5) years (computed from the date of the beginning of each such lease) at the insistence of either party and at the cost of the party demanding same, and the annual dollar rent shall be adjusted in accordance with said appraisal. All such appraisals shall be based on land value less any improvements that may have been heretofore added by the leaseholder in possession, or that hereafter be added by the leaseholder in possession; provided, however, that all improvements permanently affixed to any of the said lands under lease or rental as provided for herein shall become the property of the State of Mississippi upon final termination of such lease or rental.

(d) That the present holders under the unexpired terms of the existing leases shall have the first right and option to re-lease such lands, as they now may hold, provided that the existing leaseholders agree to pay rent at an annual amount of not less than seven and one-half percent (7-1/2%) of the fair market

value of the property as determined by the terms and conditions stated in paragraph (c) of this subsection, and the re-leasing of such lands shall be subject to the other terms and conditions stated in this section. Consideration may be given to the present leaseholders under the existing leases in determining the term of the lease period to be granted under the first right and option as herein provided.

(e) That in the case of monthly rental of said lands or any part thereof, the Governor's Office of General Services is authorized to make such terms and agreements as to the amount and conditions thereof, and to follow such procedure as will insure that a fair and equitable return to the state is effectuated thereby.

(f) That in the event the Governor's Office of General Services is unable to lease the said lands as hereinabove provided or in the event the present leaseholders fail to exercise their option to re-lease, then in that event the Governor's Office of General Services shall, by public notice, offer the said lands to the highest and best bidder therefor; with said notice being published in one or more newspapers of general circulation in each existing congressional district; provided, however, the Governor's Office of General Services shall reserve unto itself the right to reject any or all such bids.

(g) That any present leaseholder of said lands who desires to exercise his right to first option to re-lease, as

provided for herein, shall notify the Governor's Office of General Services in writing of his intent to exercise that right not later than three (3) months after the said appraisals provided for in subsection (c) are made available.

(h) That any lease or rental contract or agreement entered into by virtue of this section shall be approved as to form by the Public Procurement Review Board before the same is to be effective.

(i) That all * * * monies derived from * * * the lease, rental, sale or conveyance of such lands be deposited in the state land acquisition fund, which may be utilized for the purchase of additional state lands where authorized by * * * act of the Legislature, for necessary repairs or renovations to facilities on such lands, or for appraisals, studies and other consulting costs related to the potential development, marketing, sale or long-term lease of such lands.

(j) That the Governor's Office of General Services is authorized to borrow money from the Mississippi Development Bank or other financial institution for the purpose of renovation of vacant buildings or portions thereof on such lands and lease the same in an amount less than that required under paragraph (c) of this subsection under the following conditions:

(i) The lease is made to a public service corporation serving the general public of the State of Mississippi in the City of Jackson;

(ii) The lease payments over the initial lease term cover the actual costs of renovation including any interest and fees as well as all costs of the Governor's Office of General Services for utilities, maintenance and security over the lease term; and

(iii) The lease may be subsequently renewed for additional periods not to exceed fifteen (15) years each for an annual amount to be renegotiated and set by the Governor's Office of General Services.

(k) Nothing in this section shall be construed to authorize the sale or transfer of title to the said lands.

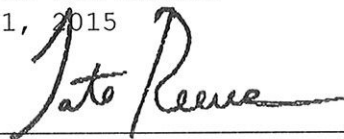
(2) It is the intent and purpose of this section to provide a fair and equitable return for the lease or rental of the said seat of government lands, and to afford lessees holding existing leases the first right and option to lease the same lands that they presently hold so as to continue any business or other utilization of the said lands not to exceed the periods provided for herein; and the Governor's Office of General Services is hereby empowered and authorized to follow such procedure and to make such arrangements, not inconsistent with the provisions here, as may be reasonably necessary to effect such purpose and intent.

SECTION 3. This act shall take effect and be in force from
and after its passage.


PASSED BY THE HOUSE OF REPRESENTATIVES
March 31, 2015


SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
March 31, 2015


PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR


GOVERNOR

4/22/15
4:47pm